

Inside THE Diamond

Amerex

MAY 2019



Quality is Behind the Diamond

A Memo from Harrison Bishop



HARRISON BISHOP
PRESIDENT

We are pleased to present our inaugural issue of *Inside the Diamond*, a regular newsletter for our customers, team members, friends and other stakeholders. Our goal is to communicate information and news about the Amerex family and our industry. In this issue, we have included sections about Amerex industry involvement, position updates and product enhancements. Amerex is especially pleased to introduce Ben Pitts, Vice President of Sales and Marketing. Ben has been making the rounds since starting early this year, and has had the opportunity to meet many customers and attend several major industry events. In keeping with his personality and can-do attitude, Ben has also found time to work in several major areas at our production plant in Trussville, including customer service, engineering and production. We have some great videos of Ben working on Amerex products. If you have not met him, please feel free to introduce yourself to Ben at your next opportunity.

Amerex continues to invest in its people, processes and the future of our industry. This year alone, we have purchased and replaced several major pieces of production equipment, and we have committed millions of dollars to continued upgrades into 2020. Major investments have also been made in robotics and other forms of automation. Amerex remains a stalwart champion of the fire suppression industry as a whole,

spending large amounts of time and money advocating for effective safety equipment standards and utilization. We, along with you, recognize the value that appropriately placed, maintained and serviced fire protection equipment offers to the safety and well-being of people and property. It is value that is worthy of being defended for the future.

Our investments have not only resulted in higher quality, more cost-effective products that can be manufactured at impressive rates on a daily basis; they have also ensured our production facilities are clean, environmentally friendly and safe places to work. This year alone, Amerex (which is an OSHA Voluntary Protection Program Star Site) was recognized by the Alabama Department of Industrial Relations for exemplary safety in two areas, including for having the lowest safety incident rate in the State for comparable manufacturing companies. Amerex is a great team, and we are proud of the workplace that has existed here in Trussville, Alabama since 1971.

Thank you for your attention to our publication. As always, feel free to reach out to us with any suggestions or questions. We want to help however we can, and we appreciate your business. Together, Amerex and our customers form a strong community.

Cover image The Amerex Ergonomics Cup is an annual competition in which teams from around the facility develop projects that improve ergonomics in their work areas. The winners from this internal competition go on to compete against teams from other McWane sites. This is a great opportunity for team members to work together and improve safety in their areas. **People from left to right:** Sherman Allen, Lanika Johnson, Mike Weldon, Payton Robinson, Leneka Kindred, Kaleigh Fleming

COMMUNITY OUTREACH

Recently the Amerex engineering team spent a day with our local YMCA chapters at the Thingamajig® Invention Convention to demonstrate the principles of STEM (science, engineering, technology and math). Thingamajig® is a STEM festival where children can create their own experience. STEM careers are becoming more and more relevant, which means children in every community need more access to STEM activities to fully understand their importance and role. Invention allows children to exercise their imaginations and creativity, and Thingamajig acts as a way of introducing children to new perspectives. We look forward to continuing our partnership with YMCA this year!



Our engineering team had a great time teaching local kids about science and technology with fun hands-on activities, including a propeller car, mousetrap car, CO2 fire extinguisher and hot air balloon.

WELCOME

AMEREX WELCOMES NEW VP OF SALES — BEN PITTS

Ben Pitts has joined Amerex as our new Vice President of Sales & Marketing, overseeing all regions and sales divisions, including fire extinguishers, suppression systems, government/military as well as marketing and customer service. Ben comes to Amerex after a distinguished career running sales and field operations in the food and beverage (coffee and tea) manufacturing business. We caught up with Ben after his first 100 days on the job to get his take on Amerex and the fire suppression industry.

WHAT WAS IT ABOUT AMEREX AND FIRE SUPPRESSION THAT ATTRACTED YOU TO THIS POSITION?

Amerex has an undeniably strong reputation and brand. The chance to join a private company with significant resources was very attractive. Previously, I worked for a manufacturing company selling and distributing on a national and limited international basis with a large team, so I felt like Amerex was a good fit from an experience, scope and structure standpoint.

I was drawn to the challenge of Amerex being at different stages within various markets and product groups. The opportunity to gain and maintain share by innovating and selling at higher levels is exciting for our team. As for the fire protection industry, yes, we are performing the technical task of suppressing fires, but we are truly in the business of protecting assets and human life, while helping businesses manage risk and compliance with codes and laws.

REFLECT ON YOUR FIRST 100 DAYS AT AMEREX

The business is fast-paced — our customers and people demand and deserve quick action, delivery and

response. There is a high degree of technical data and specifications to absorb, which I expected.

I have been impressed with our engineering R&D/innovation function. We can leverage our talent and expertise to quickly and effectively get new products to market.

So far, no major surprises but a humble awareness there is a lot to learn about our customers' businesses and how we become more customer centric in the market segments we serve.

YOU MENTIONED THE COMPETITIVE NATURE OF THE FIRE EXTINGUISHER BUSINESS — CAN YOU ELABORATE ON WHAT YOU ARE SEEING?

It's impossible not to see that Amerex products are placed in the world's largest airports, convention centers, prestigious universities, castles in the United Kingdom, America's largest city transit systems and used to protect the U.S. military. When you're a market leader, there are competitors who want to take away your position through lower cost products or pricing — that's just business. I do, however, have a hard time hearing certain fire suppression products referred to as

commodities. Amerex and its partners are providing protection — an intangible service and security that's truly the farthest thing I can imagine from a commodity.

That said, we are not building Rolls Royces here for a handful of elite customers; we will continue to listen to our customers to employ a strategy that strengthens our market-leading position. Just please forgive us for not falling into the commodity trap.

WHAT ARE YOUR PRIORITIES FOR THE REMAINDER OF 2019?

Shortening order to ship times are an immediate focus. In 2018, when demand and orders spiked, our lead times extended beyond what customers expect from Amerex on a regular basis. We've got sales, supply

chain, production and shipping working together, and we're seeing continuous improvement. We have capacity currently for growth and want to make sure we are hitting all cylinders with respect to customer satisfaction, revenue management and supply chain/costs. We're excited about our innovation pipeline — we've got about 15 active projects that are funded, including our enhanced kitchen suppression (KP) system hitting the market now.

Communication internally and externally is a super high priority for us. Our sales team has the pulse of the customer, and we have started a weekly forum to communicate and learn from them. We're working also to improve our basic communication when someone has a request or needs an update on an order. Lastly, getting face to face with

customers to learn their business and what they need from Amerex — this one is high on my personal agenda.

HOW ABOUT A MARKET STRATEGY FOR AMEREX OVER THE NEXT 3 YEARS?

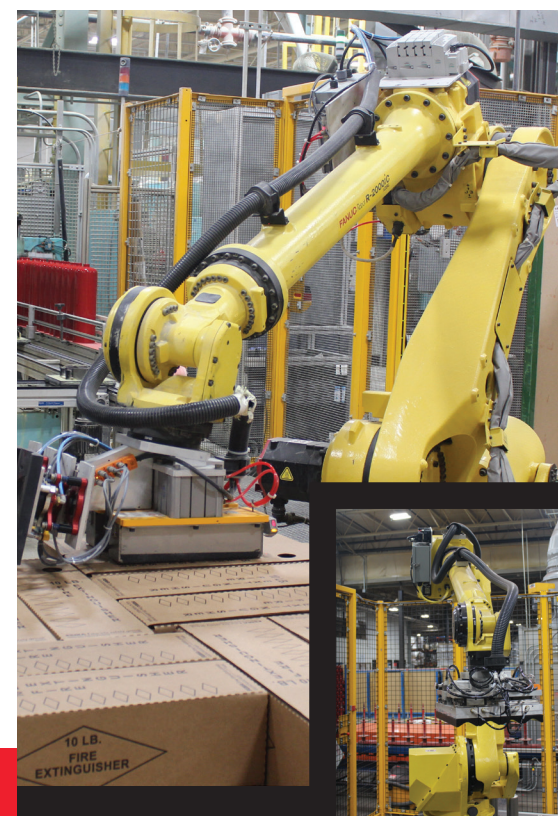
We'll have more to share on the strategy, but for now I see a healthy fire extinguisher business with a continued market-leading position, robust growth in our systems business and international growth through our collaboration with McWane International.

FAIR ENOUGH, LAST QUESTION — WHAT'S ON YOUR PLAYLIST?

Lately, I've been listening to Ryan Bingham's new album on Spotify and Gillian Welch.



BEN PITTS
VP OF SALES & MARKETING



MEET THE AMEREX ROBOTS

Did you know we have robots at Amerex? Well, we have three, and two have names already! Mac and Wane work collaboratively with Amerex team members on our automated extinguisher line, and the third robot, our most recent addition, works on our chain on edge paint line. Do you have a name idea for this robot? Think it over because we will be having

a competition to name it, and the winner gets a prize!

This continuous improvement initiative has helped our team advance to new heights of quality. If you would like to see the robots in action, please inquire about a plant tour. We always encourage visits to our facility in Trussville, Alabama!

WHAT IS FEMA AND WHY ARE WE PARTNERED?

The Fire Equipment Manufacturers' Association (FEMA) is a life safety advocacy group that unites its member companies to improve education, raise awareness of fire protection equipment and advance fire protection legislation. FEMA's mission is to save lives and protect property with a complete life safety strategy. The association emphasizes the significance of a complete fire protection solution, utilizing fire extinguishers, fire suppression systems, standpipes and sprinklers. As a member of FEMA, AMEREX fully supports FEMA's mission.

FEMA and its members collaborate with lobbyists and code consultants to monitor and advance changes in fire code. One ongoing code issue is the removal of fire extinguishers from existing structures. In the early 2000s, the International Fire Code (IFC) created exception wording in section 906.1, deciding fire extinguishers were not mandatory if quick response sprinklers were present. Building owners began referring to the IFC and removing extinguishers from existing installations. FEMA advocated for the removal of the extinguisher exception and succeeded through regulatory channels. As code adoption is a multi-year process, FEMA and Amerex continue to advocate for balanced fire protection, which must include fire extinguishers.

Also, the U.S. Department of Defense (DOD) recently altered the Unified Facilities Criteria (UFC) referring to past revisions of the IFC and National Fire Protection Association (NFPA) 101. The DOD utilizes the UFC as its building and

fire code at military bases across the world. The change effectively reduced the number of fire extinguishers in certain occupancies, and it completely removed the requirement for extinguishers in some cases. FEMA is working diligently to reverse this change. By emphasizing the presence of effective fire protection equipment, FEMA and Amerex are working hard to ensure that our men and women of the DOD have every life safety tool available to them. Together our work is a vital component in ensuring government responsibility for life safety and property protection.

Fire extinguishers and fire suppression systems play a critical role in a complete fire protection strategy. The removal of fire extinguishers from existing installation or the exemption of their initial installation reduces the protection of life and property. In comparison to sprinklers, extinguishers can also be quicker, minimize property damage and maintain a smaller fire size. Amerex will continue its efforts to promote and improve life safety within FEMA and as a manufacturer of life safety equipment.

Guy Jones is the Portable Extinguishers Product Manager for Amerex and has been a part of our team for 15 years. Previous to his current role, he worked in product development, advancing our products and innovating new products to meet customer and industry needs. Guy uses his vast product expertise and industry knowledge to position Amerex and its partners for long-term success.



DISTRIBUTOR SPOTLIGHT



AMEREX Marketing Manager Jonathan Carter recently sat down with the CEO of Haines City Fire Extinguisher Service, Inc., Mike Willis, in Florida to discuss the company's history and its relationship with Amerex. Haines City Fire Extinguisher Service, Inc. was founded in 1955 and has been a distributor of Amerex products since 1976.

When speaking on the company's origins, Mike Willis described an idyllic, simpler lifestyle in the Orlando area when the local volunteer fire department serviced

of Haines City Fire Extinguisher Inc. Together they maintain the company's success by focusing on niche markets, such as vehicle systems, kitchen systems and portable extinguishers. This provides the opportunity to obtain contracts with companies like Walt Disney World Resort and Universal Studios theme parks, including all their restaurant, marine and vehicle systems. From humble beginnings, Haines City Fire Extinguisher Service, Inc. has grown to currently employ over 50 people, with thousands of fire systems

“I’VE BEEN PROUD TO CARRY AMEREX FOR 43 YEARS AND COUNTING.”

installed and maintained. Mike and Donna value every individual employee, which is evident through the company's in-office daycare. Children who attend the daycare often grow up with the desire to work for the company, which is a testament to the positive work environment that Mike and Donna have created.

extinguishers on Saturdays. In 1955, interest in servicing extinguishers waned, and the fire department relinquished the responsibility. Mike Willis' father embraced this opportunity and founded Haines City Fire Extinguisher Service, Inc. Mike has fond memories of accompanying his father to fill up extinguishers at a young age and growing up in the fire protection business.

Eventually his father perused other interests and entrusted the company to Mike and his wife Donna, the president

of Haines City Fire Extinguisher Inc. Together they maintain the company's success by focusing on niche markets, such as vehicle systems, kitchen systems and portable extinguishers. This provides the opportunity to obtain contracts with companies like Walt Disney World Resort and Universal Studios theme parks, including all their restaurant, marine and vehicle systems. From humble beginnings, Haines City Fire Extinguisher Service, Inc. has grown to currently employ over 50 people, with thousands of fire systems installed and maintained. Mike and Donna value every individual employee, which is evident through the company's in-office daycare. Children who attend the daycare often grow up with the desire to work for the company, which is a testament to the positive work environment that Mike and Donna have created.

In a world of impersonal, corporate businesses, Mike strongly emphasizes the principle of caring about people and recognizes that same ideology at Amerex. When asked the reasoning for choosing to do business with Amerex, Mike noted the quality of Amerex products and the company's quality of customer service. He specifically



recalled an issue that occurred years ago with faulty extinguishers, in which carrying handles were collapsing — a common problem among all extinguishers across different brands. Once he notified Amerex, production immediately ceased, and the extinguishers were redesigned, satisfying the needs of the customer and ensuring life safety. The relationship between Haines City Fire Extinguisher Service, Inc. and Amerex was founded upon a mutual appreciation for premium quality in products and customer service, and the importance of interpersonal relations. We look forward to continuing this relationship.





PRODUCT UPDATES



Constant participation in industry trade groups and national level code development helps to ensure that these new challenges receive appropriate fire protection.

This May we are launching a new portable product to support our partners in the most rugged industrial settings, such as oil and gas, mining, waste management and other harsh environments. Not only are these markets harsh, but they also need reliable, high performance products for extreme fire hazards. This portable extinguisher is designed and tested to withstand the most severe corrosion conditions. We will be showcasing this

Last year was a busy year for Hand Portable and Wheeled Extinguishers. Amerex saw unprecedented demand for hand portables in the first three quarters and a return to historical demand in Q4. During 2018, we manufactured as many as 19,300 extinguishers a day, which is approximately 20% more than an average production day. Wheeled extinguisher sales were strong in the fourth quarter and have continued to surge this year, especially Halotron I and Novec 1230. Amerex is working diligently to increase capacity to accommodate the increased demand. Since July of 2018, we have tripled our wheeled unit manufacturing capacity to meet our customers' needs.

New fire hazards presented by modern technology and inventive construction is always in the forefront of our mind. The Amerex Product Development and Code Compliance teams are the best in the business. We seek solutions to these new challenges through continuous research and development.

PORTABLE EXTINGUISHERS



new extinguisher line at the NAFED conference in New Orleans for the first time. If you are attending, stop by our booth to learn more.

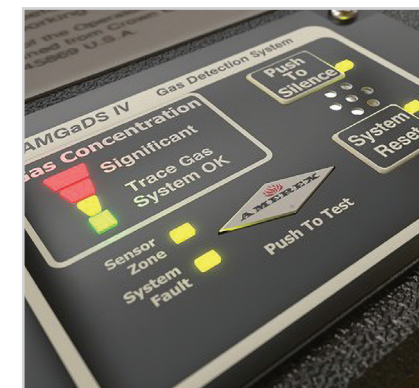
We encourage you to keep an eye on the Amerex website, social media and other communications for announcements and information about this new product and others!

VEHICLE FIRE SUPPRESSION SYSTEMS

2018 was a very rewarding year for Vehicle Systems, as Amerex continues to lead the market in the transit industry and make advancements in the



off-road industry. One specific system that has contributed to our recent success is the Small Vehicle Systems kit, which is designed for small buses with front engines. This increase can be attributed to recent requirements by Authorities Having Jurisdiction (AHJs). AHJs across the country are requiring vehicles that transport mobility-impaired people to be equipped with fire suppression. Check with your local AHJ for this requirement in your area.



Approximately five years ago, Amerex recognized a need for reliable, quality fire suppression on off-road vehicles, so we launched Kodiak. Kodiak is a fire suppression system designed to meet and exceed the uncompromising requirements set by forestry, agriculture, mining and waste management operations. Protecting these investments from debilitating fires and

loss of production is paramount. With the experience of over 100,000 fire suppression systems sold, the vehicle systems team launched this innovative, rugged system into these markets with success.

Among the new improvements to our products, we recently launched the newest revision of AMGaDS IV. AMGaDS IV meets the growing needs of vehicles powered by combustible gas. Also, we have developed and implemented a new corrosion-resistant paint process for all vehicle systems agent cylinders, nitrogen cylinders and their brackets by infusing zinc into the primer coat. This strategic product improvement will protect these critical components.



PRODUCT UPDATES CONTINUED



RESTAURANT AND INDUSTRIAL FIRE SUPPRESSION SYSTEMS



Last year was one of evaluation and re-investment for the Restaurant and Industrial Dry Chemical product lines. We have been working hard to adjust our products to meet market demands, while keeping costs competitive. That means we are investing heavily in R&D projects that will position us to be successful in the United States and around the world. We expect 2019 to be an exciting year with new product enhancements and product offerings.

At the beginning of February, we made a significant improvement to the KP™ Restaurant System. We updated the agent cylinder color to silver to match the preference of restaurant and building owners. This feature was added to support our customers in promoting Amerex as the solution for commercial kitchens.

Furthermore, Amerex officially added the STRIKE Electronic Control System (ECS) to the KP™ product line May 1, 2019. This electronic control package

complements the existing Mechanical Release Module and Pneumatic Release Module, adding a new generation of restaurant system controls with enhanced capabilities. STRIKE was designed with you and your customers in mind, and we are excited to get this new product in your hands.

We encourage you to look at the event calendar for training dates to become certified on this new product. If interested, log in to our training site for more info, or contact your regional sales manager to sign up!

MILITARY SYSTEMS



Did you know that approximately 20,000 armored vehicles around the world are equipped with Amerex fire suppression systems? Established in 2010, Amerex Defense is dedicated to providing the best fire protection solutions in this industry. Combining over 200 years of experience with state-of-the-art live fire testing facilities, our team develops innovative solutions to extreme life safety threats. Data from flammable liquid slow growth and explosive fires are analyzed using a

cutting edge data acquisition system, with capabilities of measuring and recording system performance levels while documenting tests on high-speed video equipment.

A large portion of the vehicles we equip are Oshkosh Defense, an industry-leading tactical vehicle manufacturer. Our relationship with Oshkosh is strong because of our shared high standards for meeting customer needs with next-generation technologies and unparalleled customer service. Ultimately, we share a commitment to protecting those who protect us. Through 2040, over 55,000 armored vehicles will be produced, and we look forward to supporting this program with high-quality life safety products.



Lastly, join us in welcoming new Defense Sales Manager Tad Halcomb to our team. Previous to Amerex, Tad had a distinguished career in the mining industry, where he became an expert on Amerex technology used in the Arizona mining sites. In his short time at Amerex, he has already made an impact, and we are glad to have him on board!



AMEREX TRADE EVENTS 2019

Event Description	Location	Dates
Waste EXPO	Las Vegas, NV	May 6-9
FEMA Annual Leadership Conference	New Orleans, LA	May 7-8
NAFED New Orleans	New Orleans, LA	May 9-10
Restaurant and Industrial Systems Training	Chicago, IL	May 14-15
Warrior Expo West	San Diego, CA	May 14-15
Northeast Loggers' Expo	Bangor, ME	May 17
Restaurant and Industrial Systems Training	Little Rock, AR	May 21-22
Exponer Mining Show	Antofagasta, Chile	May 27-30
Elko Mining Expo	Elko, NV	June 3-5
New Jersey Association of Fire Equipment Distributors Summer Meeting	Atlantic City, NJ	June 6
Florida Fire Equipment Dealers Association Conference	Ocala, FL	June 28-30
School Transportation News Expo - East	Indianapolis, IN	June 7-12
Restaurant and Industrial Systems Training	Albany, NY	June 11-12
National Fire Protection Association Conference and Expo	San Antonio, TX	June 7-12
Georgia Association of Fire Equipment Dealers Symposium	Forsyth, GA	June 25-27
Restaurant and Industrial Systems Training	Portland, OR	June 25-26
Warrior Expo East	Virginia Beach, VA	July 10-11
School Transportation News Expo - West	Reno, NV	July 26-31
Restaurant and Industrial Systems Training	Denver, CO	Aug. 6-7
Vehicle Systems Training	Kansas City	Aug. 13
Restaurant and Industrial Systems Training	Columbus, OH	Aug. 27-28
Restaurant and Industrial Systems Training	Atlanta, GA	Sept. 10-11
Mining and Minerals Recovery Exhibition	Jakarta, Indonesia	Sept 18-21
CALSAFE Annual Meeting	Monterey, CA	Oct. 4-5
Restaurant and Industrial Systems Training	Dallas, TX	Oct. 8-9
AUSA Annual Meeting and Exposition	Washington, DC	Oct. 14-16
North Carolina Association of Fire Equipment Distributors Conference	Charlotte, NC	Oct. 16-17
Pennsylvania Association of Fire Equipment Distributors Conference	Pennsylvania	Oct 16-18
Restaurant and Industrial Systems Training	Baltimore, MD	Oct. 22-23
International Boat Show	New Orleans, LA	Dec.4-6
Restaurant, Industrial, and Vehicle Systems Training	Trussville, AL	Dec. 3-5

WHY AMEREX

Since 1971, our goal has been to provide the highest quality products with a relationship-based approach. We strive to provide the most comprehensive and dependable line of fire suppression products available today. Amerex didn't become a global market leader overnight. Our business has grown year after year based on our products' reputation for performance and durability in even the most rugged environments.

To this day, the fit, form and function of the extinguishers we manufacture are the same as the

first we ever made, with hundreds of innovations and improvements included along the way. At Amerex, our primary goal is to provide exceptional products and service to our customers, and to leverage our expertise to set a standard for the industry at large. Because Amerex is independently owned and forward-thinking, we are continuously innovating and investing for the benefit of our customers and those they serve. We invite you to stop by our facility to see firsthand that "Quality is Behind the Diamond".



Quality is Behind the Diamond



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